

The Cost of Welfare

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2016 American Community Survey

	Memphis city, Tennessee	Memphis, TN-MS-AR Metro Area
	Total population	Total population
Number of Households	256,973	501,107
Median household income (dollars)	\$38,826	\$49,809
Percent households With earnings	77.4%	79.3%
Number of Households with earnings	198,897	397,378
Mean earnings (dollars)	\$58,018	\$71,111
Percent Households With Supplemental Security Income	8.2%	6.4%
Number Households With Supplemental Security Income	21,072	32,071
Mean Supplemental Security Income (dollars) per year	\$10,392	\$10,022
Mean Supplemental Security Income (dollars) per month	\$866	\$835
Total Amount of SSI per year	\$218,978,000	\$321,414,039
Percent Households With cash public assistance income	2.3%	1.9%
Number Households With cash public assistance income	5,910	9,521
Mean cash public assistance income (dollars) per year	\$3,466	\$3,138
Mean cash public assistance income (dollars) per month	\$289	\$262
Total Cash Public Assistance	\$20,485,374	\$29,877,002
Percent Households With Food Stamp/SNAP benefits	21.1%	16.2%
Number Households With Food Stamp/SNAP benefits	54,221	81,179
Average Food Stamps income per year	\$3,036	\$3,036
Average Food Stamps income per month	\$253	\$253
Total amount of food stamps per year	\$164,615,876	\$246,460,458

2016 American Community Survey

	Memphis city, Tennessee			Memphis, TN-MS-AR Metro Area		
	Total	White	Black	Total	White	Black
Total Number of Households	256,973	80,810	153,398	501,107	240,981	223,405
Number of Households with Incomes Less than \$15,000	49,853	8,290	37,738	74,164	18,931	47,913
Percent of Households with Incomes Less than \$15,000	19.4%	10.3%	24.6%	14.8%	7.9%	21.4%
Number of Households with Incomes Less than \$25,000	86,343	15,853	64,424	130,288	37,248	82,540
Percent of Households with Incomes Less than \$25,000	33.6%	19.6%	42.0%	26.0%	15.5%	36.9%

2016 American Community Survey

	Memphis City				Memphis MSA			
	Total		Receiving Food Stamps		Total		Receiving Food Stamps	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Households	256,973	100%	54,253	21.1%	501,107	100%	81,220	16.2%
Households with Any Cash Assistance or Food Stamps			56,169	21.9%			84,076	16.8%
Below Poverty	59,081	23.0%	29,568	54.5%	87,392	17.4%	42,384	52.2%
Household Median Income	\$38,826		\$17,819		\$49,809		\$19,051	
Families with No Workers in the Past 12 Months	23,544	16.2%	9,499	24.5%	46,529	14.3%	14,430	24.1%
Families with One Worker in the Past 12 Months	61,326	42.2%	19,776	51.1%	124,582	38.2%	29,368	49.0%
Families with 2+ Workers in the Past 12 Months	60,450	41.6%	9,487	24.5%	155,404	47.6%	16,159	27.0%

It is very important to note the following points:

- More than 75% of families receiving food stamps have at least one worker in the past 12 months.
- Not everyone receiving food stamps is below poverty.
- A negligible percent of people in poverty are receiving welfare in Memphis.
- The exclusion of those who should be receiving benefits is a much greater problem than abuse.
- The minimum wage, which has not increased since 2009, is \$7.25 an hour, resulting in income for a full time worker of \$240 a week after taxes.
- In Tennessee, 3.9% of workers are paid at or below the federal minimum wage.
- Unemployment in Memphis is now 3.9% (Nov. 2017), from 5.1% a year ago.
- The mean hourly wage in Memphis is between 10% and 20% lower than the national average.
- Memphis tends to have much greater percentages of workers in lower income occupations:
https://www.bls.gov/regions/southeast/news-release/occupationalemploymentandwages_memphis.htm
- Welfare is much broader than the public assistance used to help people under poverty. Corporate welfare is much larger than the amount the federal government spends of food stamps or on welfare at all
(<https://idavidmcallen.wordpress.com/2014/03/18/government-spends-more-on-corporate-welfare-subsidies-than-social-welfare-programs/>)
- Memphis benefits from receiving federal welfare payments; without these payments, Memphis would be so much poorer.
- The poor spend the money they receive, and this has an effect on the local economy of up to 5 times the amount originally spent. As a result, \$165 million in food stamps has the economic impact of over \$800 million on the Memphis economy.
- The previous point notwithstanding, implementing a living-wage ordinance in Memphis would really bring people out of poverty and would render food stamps and welfare unnecessary.